

Headquarters U.S. Air Force

Integrity - Service - Excellence

Source Selection



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Contracting, and Industry Forum***



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But First...

“When you see everybody looking a little upset with you, you probably got it right. If you see someone out there smiling, you probably got it wrong.”

Quote from member of Colorado Public Utilities Commission; 1988



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Background

Services acquisitions are increasing in size and complexity, resulting in increasing need for:

- Dedicated acquisition teams
 - Functional integration
 - More resources and time
 - Full time specialists vs. collateral duties
- More rigorous application of acquisition process
 - Market research
 - Performance based requirements
 - Presolicitation meetings/conferences
 - Reviews of acquisition strategy
 - Use of formal source selection procedures
 - Documentation



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Where We Are Moving

- **Service contracts becoming multi-functional**
 - Functional integration drives synergistic savings
 - Customers are more involved in marketing, acquisition strategy, defining performance and post award business relationships
 - Final products contingent upon the harmony of Integrated Process Teams (IPTs)
 - More program managers needed

Training and personnel development is more important than ever to successfully accomplish source selections.



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Source Selection Objective

“The objective of source selection is to select the proposal that represents the ***Best Value***” **FAR 15.302**

“Best Value - the expected outcome of an acquisition that, in the government’s best estimation, provides the greatest overall benefit in response to the requirement.”

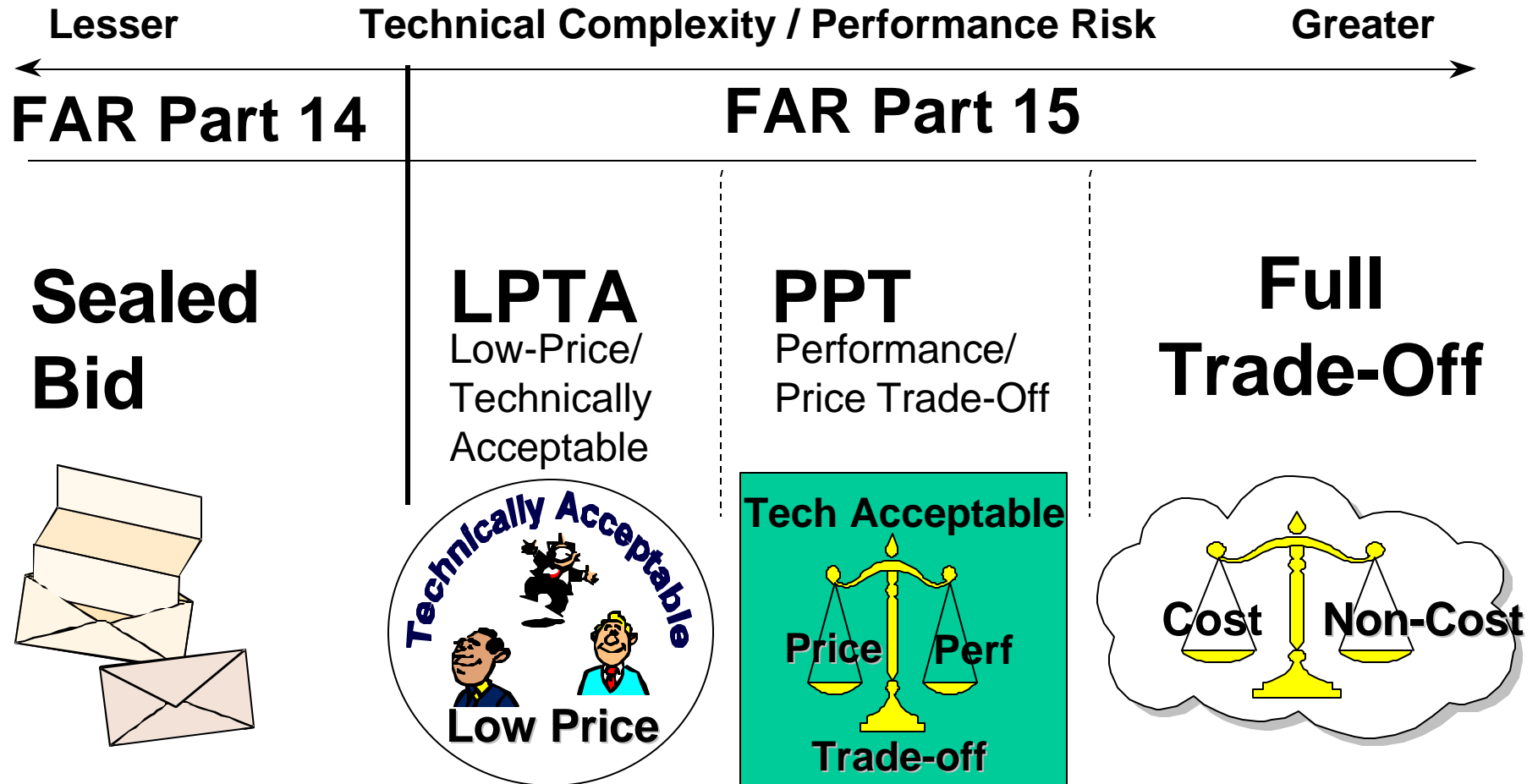
FAR 2.101

Source selection procedures “are intended to minimize the complexity of the solicitation, evaluation, and source selection decision, while maintaining a process designed to foster an impartial and comprehensive evaluation of offerors' proposals.” **FAR 15.002**



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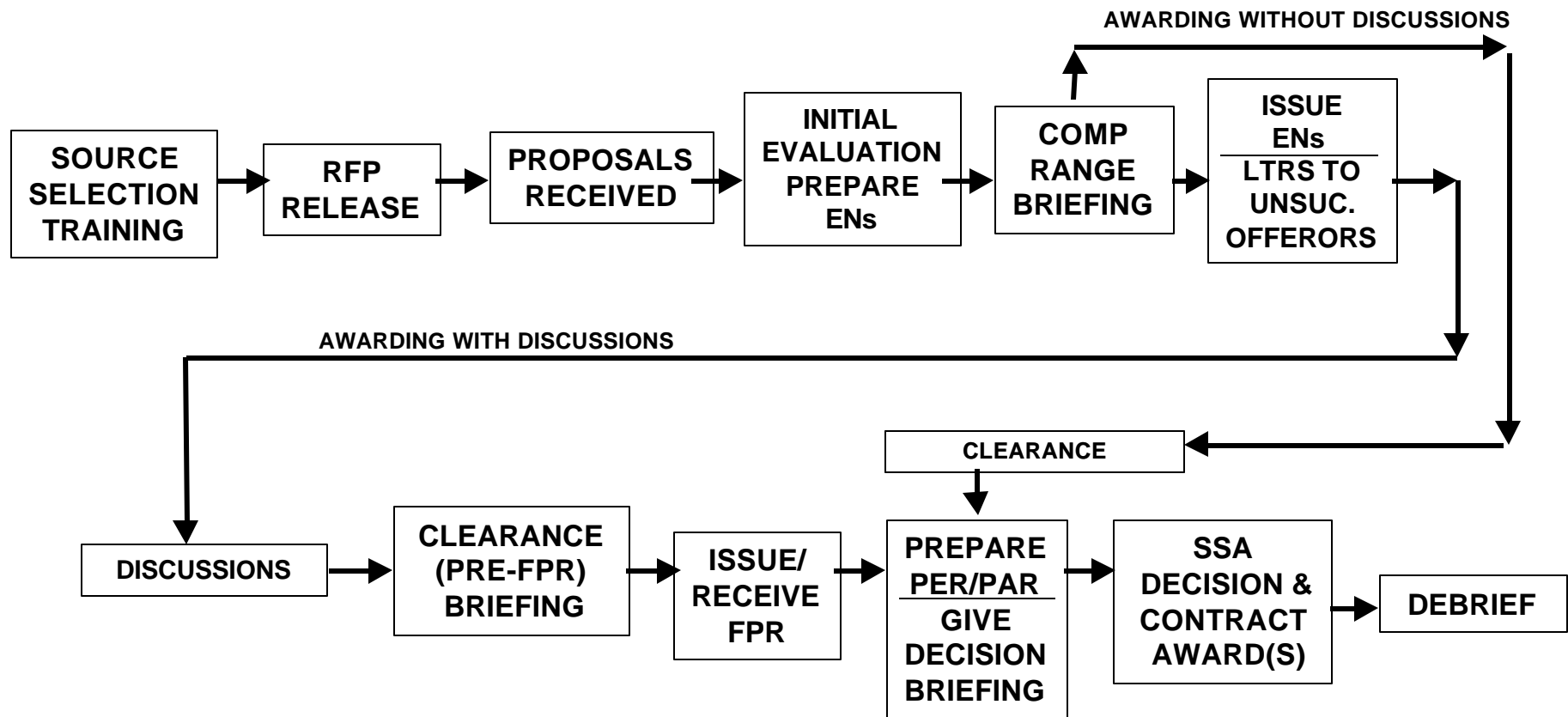
Best Value Continuum





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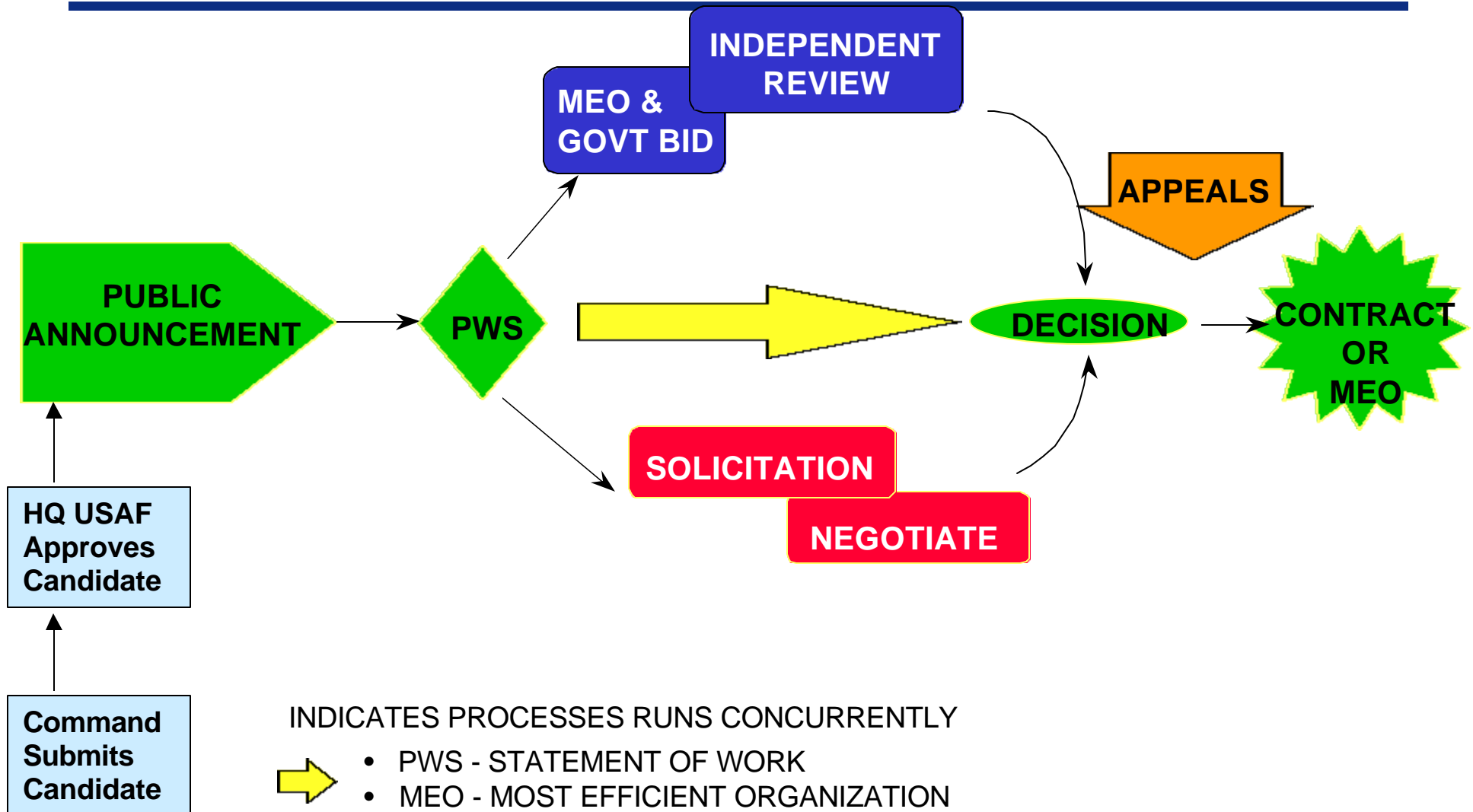
Source Selection Process Overview





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A-76 Cost Comparison Process

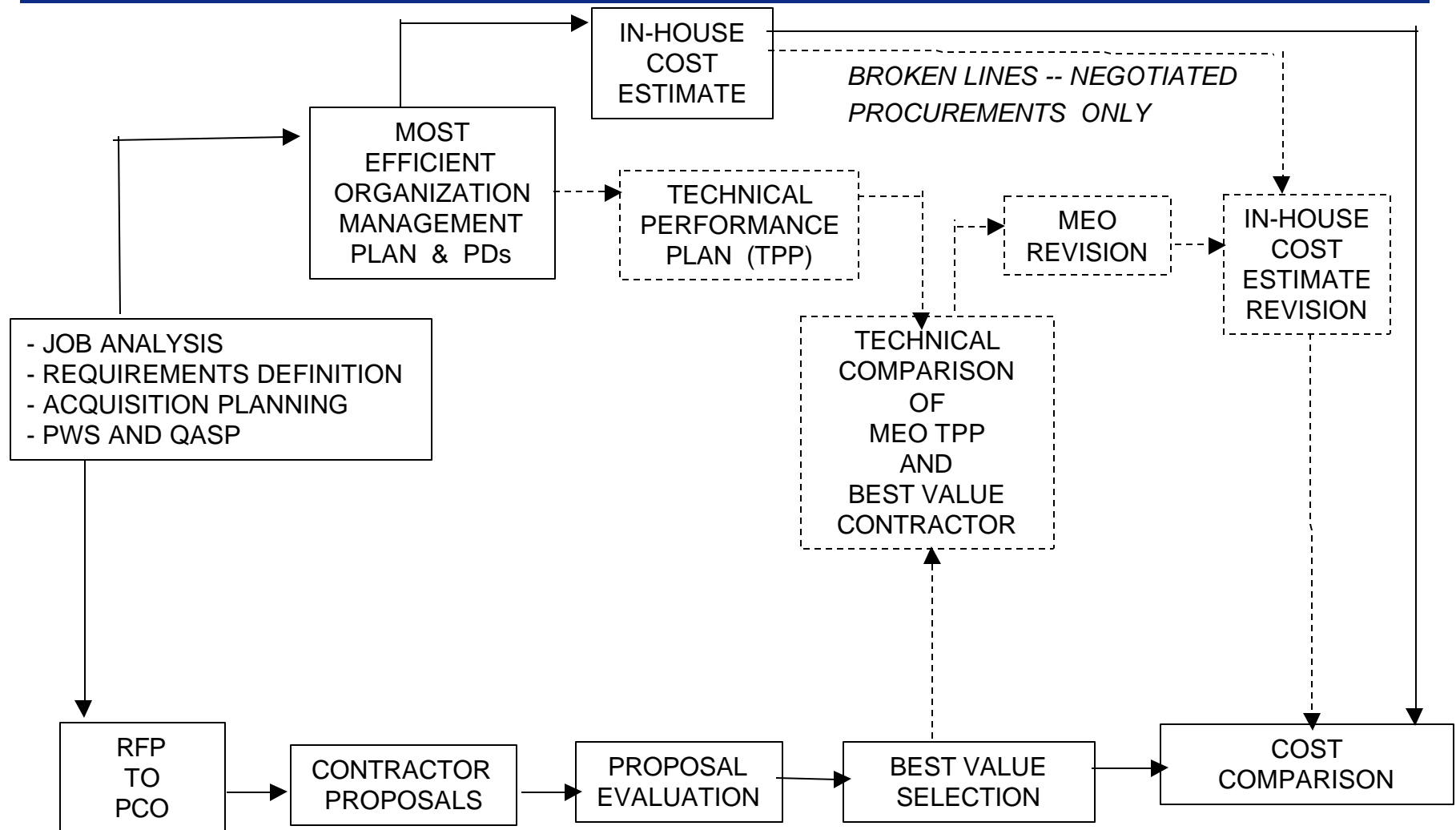


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A-76 Cost Comparison Process



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Source Selection Factors

- **MISSION CAPABILITY (MC)** - programmatic, performance, and business aspects
- **PROPOSAL RISK (PR)** - indicator of offeror's ability to execute program within proposed cost, schedule, and performance baselines
- **PAST PERFORMANCE** - historical evidence of recent and relevant contract performance
- **PRICE/COST** - most likely cost to the Government to perform proposed effort at contract completion

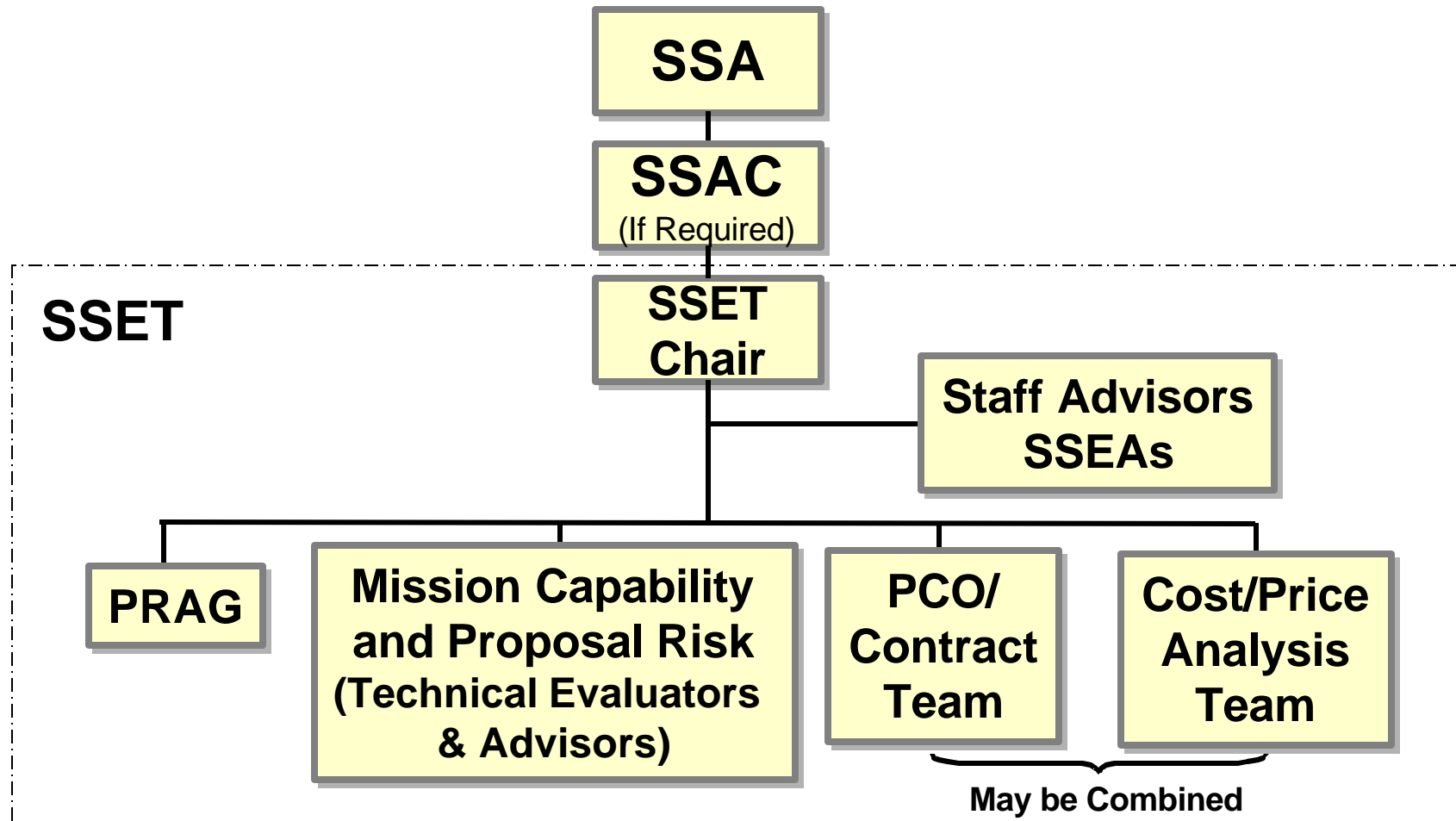
SSA makes source selection decision by conducting an integrated assessment of above factors (as applicable) to determine “best value” to the Government.



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Source Selection Organization

Median And Agency Procedures





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Roles and Responsibilities

■ **Source Selection Authority (SSA)**

- Approves source selection plan (SSP)
- Approves initiation of discussions with offerors
- Approves exclusion of offerors from competitive range
- Selects offeror whose proposal offers best value to Govt by conducting integrated assessment (signs decision document)
- Ensures MEO meets same level of performance as best value contractor (cost/technical trade-off)

■ **Source Selection Advisory Council (SSAC)**

- Reviews SSP
- Reviews evaluation and findings of SSET
- Provides advice and conducts analysis as requested by SSA
- Conducts comparative analysis of offerors



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Roles and Responsibilities

■ **Source Selection Evaluation Team (SSET)**

- Prepares SSP
- Reviews and evaluates each offeror's proposal against evaluation criteria
- Prepares evaluation notices
- Recommends ratings for each offeror's proposal
- Prepares source selection documentation, to include briefing slides

■ **Contracting Officer**

- Controls exchanges with offerors after release of solicitation
- Awards contract



Source Selection Expert Advisors (SSEAs)

- **SSEAs have been established at each AFMC center and operational MAJCOM HQ/LGC**
- **SSEAs should be involved in source selections in order to...**
 - Provide training to evaluation team
 - Participate in up-front acquisition and source selection planning
 - Assist in development of evaluation factors/subfactors and source selection plan
 - Provide current best practices and ensure lessons learned are applied from across the Air Force
 - Provide advice to SSET as problems and issues arise
 - Review and coordinate on all source selection documentation, to include briefings



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Recent Lessons Learned

■ **Include cross-reference matrix in solicitation**

Matrix helps to ensure tracability among proposal, requirements documents and evaluation criteria

■ **Mission capability subfactors should be limited to key discriminators and based on risk analysis**

- Specific subfactors are not needed for each minimum requirement
- Some subfactors could be pass/fail

■ **Adequacy of discussions**

Inconsistent and/or conflicting information should be discussed with offeror (don't assume you know what an offeror meant)

■ **Adequacy of evaluation**

Evaluation must be consistent across all offerors, including the MEO



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Recent Lessons Learned

■ **Justification of ratings**

Ratings must be justified based on evaluation and supported by specifics (strengths, weaknesses, specific positive/negative observations for past performance, etc.)

■ **Strengths**

- Strengths cannot just be “good” things in the proposal
- Strengths must be aspects which exceed requirements and provide tangible benefit to the Government
- Not all strengths necessarily drive a blue rating - identify those that do
- For A-76, benefit associated with strengths must be defined in terms of additional expected output

■ **Terminology**

- Use consistent words to communicate evaluation to SSAC/SSA
- “Exceptional” or “outstanding” for describing strengths, “satisfactory” or “acceptable” to describe areas where offeror met requirements



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Recent Lessons Learned

■ Past performance evaluation

- Specifically define relevancy prior to initiation of evaluation
- Follow up general comments in CPARs and/or questionnaires with phone calls

■ Documentation

- Briefing charts, PAR and SSDD must be more specific
- Write documentation so that independent third party (like the GAO) could easily understand evaluation and why the decision was made



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Additional Lessons Learned

- **Use dedicated members from cradle to grave**
- **Plan for the time needed -- develop an inchstone plan**
- **Identify areas of greatest risks and incorporate in evaluation factors.**
 - Discuss risk areas in source selection training
 - Ensure all team members have a good understanding of risks
- **Cadre of full time experts should be within arms reach to help**
- **Know the RFP (especially Sections L and M) and Acquisition Plan (AP)**
- **Practice facilitator and listening skills**
- **If in doubt, always discuss with contracting officer**



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Additional Lessons Learned

■ Training

- Provide professional training on software
- Training on PWS development, source selection, etc for entire acquisition team should occur as early as possible
- Formal course in risk management is highly desirable

■ Resources

- Dedicated facility for Source Selections teams only
- Infrastructure support for oral discussions and debriefings
- Workstation and administrative support
- First event sets the tone



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Additional Lessons Learned

■ **RFP documentation**

- Develop an information plan
- Utilize standard templates wherever possible -- PWS, QASP, performance standards and metrics
- Utilize standard databases (e.g., the real estate 7115 report) where possible to help develop requirements in performance work statements
- Start updating all databases early
- Establish website and/or technical library (with digital storage, workload pages are not an inhibitor)
- List all required proposal exhibits
- Consider including requirement for workload reports in RFP for future recompetitions



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Additional Lessons Learned

■ **Source selection documentation**

- One person as the “bubblemaster”
- Use electronic configuration control systems; e.g., ESS, EZ Source, Word Docs
- Ensure electronic templates are available to immediately record comments after discussions or past performance interviews (if applicable)
- Generate matrix of all evaluation notices in order to ensure close-out of issues
- Three important things: configuration management, configuration management, and configuration management -- the documentation will follow
- Source selection teams stays until documentation is finalized
- Back up all files -- burn CDRWs and keep them secure

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Back-Ups



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Mission Capability

Definitions

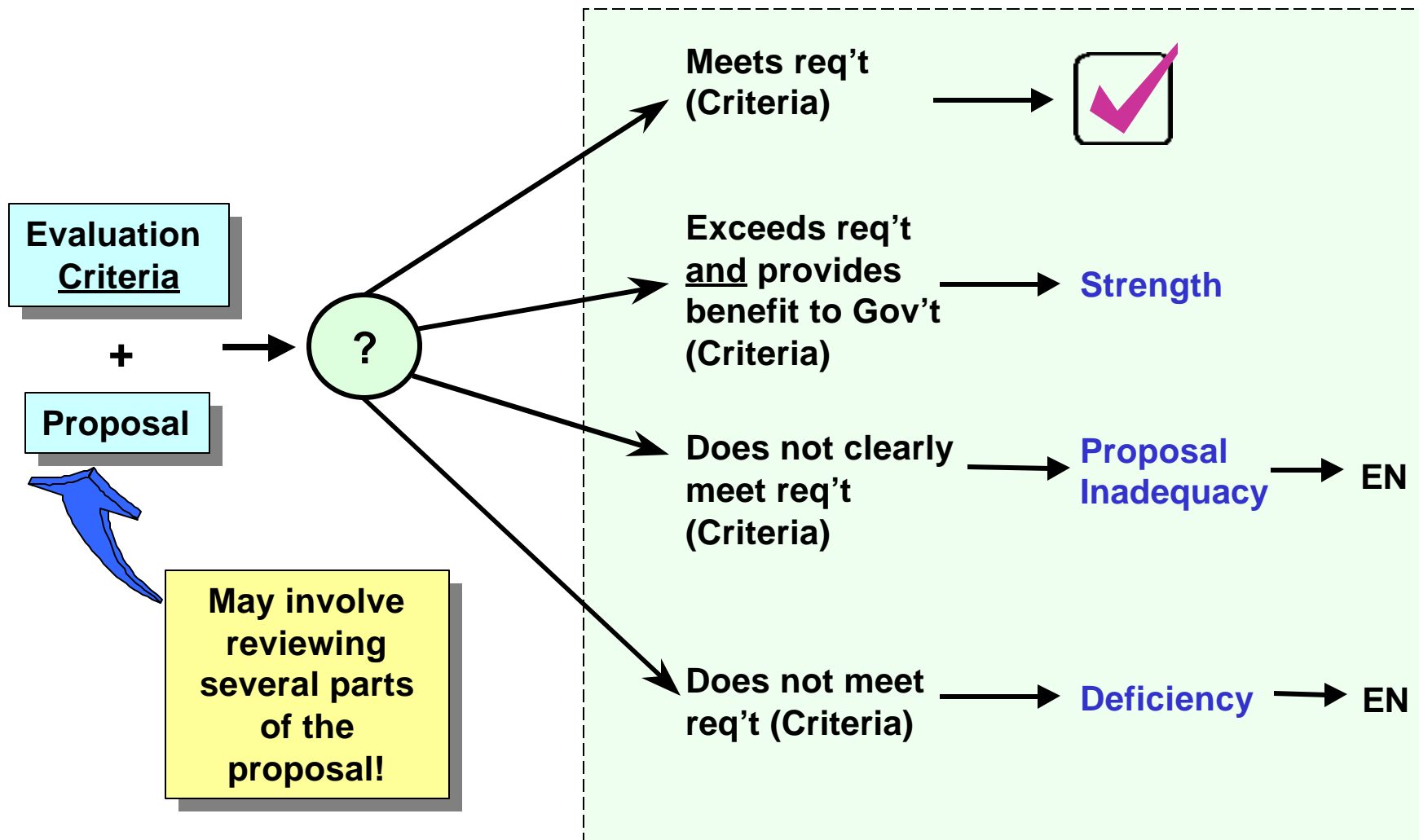
- **STRENGTH** - a significant, outstanding, or exceptional aspect of an offeror's proposal that has merit and exceeds specified performance or capability requirements in a way beneficial to the Air Force, and either will be included in the contract or inherent in offeror's process.
- **PROPOSAL INADEQUACY (PI)** - aspect or omission from an offeror's proposal that may contribute to a failure in meeting specified minimum performance or capability requirements.
- **DEFICIENCY** - material failure of a proposal to meet a requirement



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Mission Capability Evaluation

"Thought Process"



Blue - Exceptional

Exceeds specified min. performance or capability requirements in a way beneficial to the Air Force

Green - Acceptable

Meets specified minimum performance or capability requirements necessary for acceptable contract performance

Yellow - Marginal

Does not clearly meet some specified minimum performance or capability requirements necessary for acceptable contract performance, but any proposal inadequacies are correctable

Red - Unacceptable

Fails to meet specified minimum performance or capability requirements. Proposals with an unacceptable rating are not awardable



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Proposal Risk

Definitions

- **WEAKNESS** - flaw in the proposal that increases the risk of unsuccessful contract performance
- **SIGNIFICANT WEAKNESS** - flaw in a proposal that appreciably increases the risk of unsuccessful contract performance
- **DEFICIENCY** - combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level



Proposal Risk Evaluation

"Thought Process"

Proposal

For each identified risk:

- **State potential impact (cost, schedule, and/or perf)**
- **Evaluate offeror's risk mitigation plan, if any**
- **Address need for increased Gov't monitoring**

Weakness → **EN**



Proposal Risk Ratings

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- High** **Likely to cause significant disruption** of schedule, increased cost, or degradation of performance even with special contractor emphasis and close Government monitoring.
- Moderate** **Can potentially cause some disruption** of schedule, increased cost, or degradation of performance. However special contractor emphasis and close Government monitoring will probably be able to overcome difficulties.
- Low** **Has little potential to cause disruption** of schedule, increased cost, or degradation of performance. Normal contractor effort and normal Government monitoring will probably be able to overcome difficulties.



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Past Performance Ratings

High Confidence

Based on the offeror's performance record, essentially **no doubt** exists that the offeror will successfully perform the required effort

Significant Confidence

Based on the offeror's performance record, **little doubt** exists that the offeror will successfully perform the required effort

Confidence

Based on the offeror's performance record, **some doubt** exists that the offerors will successfully perform the required effort

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Past Performance Ratings

Unknown Confidence

No performance record identifiable
(See FAR 15.305(a)(2)(iii) & (iv))

Little Confidence

Based on the offeror's performance record, **substantial doubt** exists that the offeror will successfully perform the required effort. Changes to the offeror's existing processes may be necessary in order to achieve contract requirements

No Confidence

Based on the offeror's performance record, **extreme doubt** exists that the offeror will successfully perform the required effort



Cost/Price Evaluation

■ Cost/Price Reasonableness

- Normally based on adequate price competition**
- May also be determined by other price analysis techniques such as parametric analysis, comparison to prices for similar efforts, etc.**

■ Cost Realism

- Required for cost-reimbursement contracts (may also be consider to other contract types such as FPIF)**
- Assessment that proposed price appropriately considers scope and degree of effort**